

Don't Let Impostors Trick You!

Private Agencies Are Now Collecting Taxes for the IRS

The Internal Revenue Service plans to begin using private collection agencies to collect overdue federal tax debts starting in April 2017. This program was approved by Congress in December 2016 and includes guidelines on how the approved collection agencies can operate.

Con artists, however, are likely to use this change to trick individuals into paying money they do not owe. Taxpayers should, therefore, use caution if contacted by private debt collectors claiming they owe back taxes. Here's how the program works.

- Back taxes can only be collected by specific agencies selected by the IRS (listed below). These agencies are required to respect taxpayer rights, and follow by the consumer protection provisions of the Fair Credit Debt Collection Practices Act. Only one agency will contact the taxpayer to discuss the taxes owed.
- Prior to being called, the IRS will give the delinquent taxpayer written notice that the account is being transferred to a private collection agency. That notice will include the name and address of the collection agency, the amount owed, and additional information on what to expect when the agency calls. The agency will then send a second, separate letter to the taxpayer confirming the transfer.
- The approved private collection agencies may identify themselves as contractors of the IRS collecting taxes, but imposters will too. Taxpayers who have not first received written notice should not trust callers seeking payment for back taxes.
- The approved private collection agencies can discuss payment options with taxpayers but cannot accept payments. Taxpayers can pay electronically (using the IRS website) or by check, made payable to "U.S. Treasury," and sent directly to the IRS. To learn more about payment options, go to www.irs.gov/payments.
- If someone claiming to be a debt collector for the IRS calls and asks for your debit or credit card number over the phone, or requests that payment be made by sending prepaid debit cards, iTunes or gift cards, hang up. Only con artists request these types of payments.
- The approved private collection agencies are not authorized to take criminal action against taxpayers and cannot threaten taxpayers with arrest or deportation. Such threats or demands are signs that the caller is an imposter. Approved agencies cannot demand that taxes be paid without giving the taxpayer the opportunity to question or appeal the amount owed.

- The IRS will not assign accounts to collection agencies if the taxpayers are: deceased; under the age of 18; in designated combat zones; victims of tax-related identity theft; in declared disaster areas and seeking relief from collection; are involved in litigation, a criminal investigation, levy, or appeal; or are subject to negotiations on the amount owed, or on an installment plan.
- Taxpayers who are unsure if they have an unpaid tax debt from a previous year (the only debts the private collectors will handle) they can check their account balance with the IRS at: www.irs.gov/balancedue.
- To avoid receiving a debt collection call, the IRS encourages those who are behind in their taxes to either pay the amount owed or contact the IRS to set up a payment plan. Some struggling taxpayers may qualify for an “offer in compromise” that will settle their tax debt for less than the full amount owed. For more information, visit: www.irs.gov/individuals/offer-in-compromise-1.

Private Collection Agencies Selected

CBE
PO Box 2217
Waterloo, IA 50704
800-910-5837

Performant
PO Box 9045
Pleasanton, CA 94566
844-807-9367

ConServe
PO Box 307
Fairport, NY 14450
844-853-4875

Pioneer
PO Box 500
Horseheads, NY 14845
800-448-3531

To ask questions about your rights and tax responsibilities, file a complaint about a private collection agency, or report misconduct by its employee, call the Treasury Inspector General for Tax Administration, (TIGTA) Hotline at 800-366-4484, visit www.tigta.gov or write to;

Treasury Inspector General for Tax Administration
PO Box 589
Ben Franklin Station
Washington, DC 20044

For more information on other consumer issues, visit the Office of Consumer Protection at www.howardcountymd.gov/consumer. To file a complaint or request this factsheet in an alternative format, call 410-313-6420 or email consumer@howardcountymd.gov.